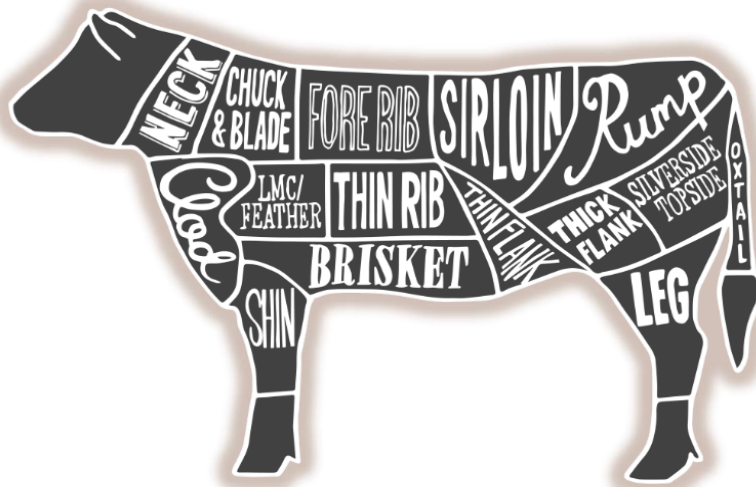




FY2019 Annual Report

Meat and Poultry Inspection Bureau



Mission

Montana's Meat and Poultry Inspection Bureau mission is to ensure that meat and poultry slaughtered, processed, and stored within the state meet all state and federal requirements for wholesome and unadulterated products. This is accomplished through product and site inspections, licensing, product labeling and laboratory testing.

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FY19 Summarization Statement from Bureau Chief

Increasing communication was an area of focus during FY 2019. Staff provide updates on all new federal Notices and Directives to industry members. Records of these communications are being documented in memorandums of interview. Quarterly, the new issuances are summarized and once again covered with industry members. The goal is to ensure that there are no surprises when regulations change, and the industry has time to respond when standards are updated.

Subsequently, when there are major changes in bureau policy, the industry members receive a letter confirming why the changes were made and what the industry needed to do to comply. Any changes in policy are rooted in regulatory changes. Although there are times when administrative actions must take place, establishment owners are being met in person to make them aware of their responsibilities. Follow-up communications are sent through email and the postal service.

Over FY 2019, the program built a stronger relationship with our federal partners. As a result of hard work by staff, Food Safety Inspection Service (FSIS) once again gained confidence in our ability to operate and maintain an “at least equal to” standard. In fact, staff received compliments from the federal-state audit branch on our accomplishments over the last year. They noted that we were more focused on regulation and that we had become more responsive in carrying out the meat inspection program.

The bureau sought to improve the delivery of services in FY 2019. To make operations more efficient, the bureau underwent a small reorganization by creating an audit unit that include two compliance investigators and the label specialist. That unit utilized the leadership of the Enforcement, Investigations, and Analysis Officer (EIAO) to carry out its mission. All members of the unit provide “after the fact” reviews or audits of industry operations. For example, compliance investigators review product in commerce after the product leaves the inspected establishment. The label specialist conducts audits of existing industry labels to ensure compliance with labeling regulations and the EIAO conducts examination of food safety systems after they are in place to ensure they are functioning as intended.

In early FY 2020, the bureau received Board approval to hire the northwest district supervisor position. Throughout FY 2019 the bureau has been utilizing compliance investigators to take on this leadership role. However, it was inefficient because a great deal of time and effort needed to be put into this position which took away from existing duties. That position will be hired in early FY 2020.

What the Future Holds

Over the next year, the bureau will be working to better train inspectors to ensure work is completed accurately, timely, and efficiently. The staff trainer has developed a training plan that will ensure that inspectors are well prepared to carry out their duties. We are looking to send supervisors directly to federal training so that they have the most current information available to pass on to inspectors and the industry. The bureau has “raised the bar” for performance of all staff and we are seeing positive results.

For example, staff are noting regulatory violations at a much higher rate than in the past. As appropriate, non-compliance records are being issued and the industry is acting quickly to remedy these issues. Industry has been responding in a positive way and are keeping and presenting establishments in a sanitary condition, maintaining comprehensive records and are placing more attention to their Hazard Analysis and Critical Control Point (HACCP) systems. Montana Meat and

Poultry Inspection (MPI) will undergo another on-site audit by FSIS in the Spring of 2020. We are already starting to work with establishments and staff to prepare for this event.

Tight general fund resources have been a challenge for the bureau. However, FSIS awarded the bureau additional funding that allowed the program to finish the fiscal year in an improved position. Two new positions were added to the program in early FY 2020. Once hired, these positions will be able to address much needed relief inspection. This will allow inspectors with assigned establishments to more readily take on new assignments and use time off they have accrued throughout the year. A stronger financial picture will enable the bureau to direct funding into better training for inspectors and provide better operating and safety equipment to staff.

Over the next fiscal year, the bureau will continue to examine all aspects of its operations to determine if inspection duties are being carried out in the most efficient and cost-effective manner. Developing relief inspection to cover increased inspection needs during peak operations such as during the summer county fair season will be a priority.

Another area of change for FY 2020 will be in the area of administrative rules. An analysis of existing Administrative Rules of Montana revealed that some rules conflicted with federal regulation, were overly burdensome, and were difficult to achieve industry compliance. The re-write of these rules will relieve unnecessary burden off the industry and make it easier to maintain compliance with regulation.

The Federal Acts (Meat Inspection, Poultry Products Inspection, and Humane Methods of Slaughter) are complex and require proper application to the regulated industry. The bureau will continue to carry out the responsibility to help the industry understand regulations and how they are applied to each establishment. In addition to regular meetings with establishment owners, at least 25 percent of one FTE will be devoted to outreach efforts. I am confident that this approach will result in a better understanding of regulation and its proper application.

Ensuring food safety in Montana is the bureau's number one priority. To accomplish that, the bureau has increased the role of science to applying regulation. As part of that effort, the bureau's food safety officer attended intensive EIAO training to improve food safety through the proper application of scientific principles. Since this training has been completed, food safety assessments have been conducted based upon risk and on a regular basis. Thus, the likelihood of unsafe meat products reaching Montana consumers will be reduced. Our goal is to complete at least 10 assessments during the fiscal year.

The outlook for the next fiscal year is promising. Industry is supportive of the program and its application of regulation. Through enhanced communication and the application of scientific principles, the regulators and those regulated will produce safe, wholesome products for all consumers.

Authorization

According to section two of the Federal Meat Inspection Act, "Meat and meat food products are an important source of the nation's total supply of food. They are consumed throughout the nation and the major portion thereof moves in interstate or foreign commerce. It is essential in the public interest that the health and welfare of consumers be protected by assuring that meat and meat food products distributed to them are wholesome, not adulterated, and properly marked, labeled and packaged..."

The Montana Meat and Poultry Inspection Bureau operates in a manner similar to the other 26 states with a cooperative state meat inspection program. Montana carries out its own inspection services in a manner that is at least equal to inspection services provided by the United States Department of Agriculture (USDA), as well as utilizing the federal Public Health Information System (PHIS) a web-based data driven system that utilizes role assignments and predictive analytics to collect, consolidate and analyze establishment data to generate and assign specific inspection tasks to improve food safety.

To help meet the federal “at least equal to” standard, Montana has adopted both federal law and rule. Under 81-9-219, Montana Code Annotated (MCA), Montana adopts the Federal Meat Inspection Act, the Federal Poultry Inspection Act, and the Federal Humane Methods of Slaughter Act. Each of these federal acts addresses various aspects of how the Montana program operates.

Further, Administrative Rules of Montana (ARM) 32.6.712 adopts Title 9 of the Code of Federal Regulations (CFR). These rules outline how Montana is to carry out its meat and poultry inspection program. In addition, Montana Meat and Poultry Inspection utilizes other laws and rules under Title 81 of MCA and Title 32 of ARM.

Organization and Funding

The Meat and Poultry Bureau operates on an annual budget of approximately \$1.7 million which consists of 50% federal funding and 50% state general fund. The program has 24 FTE (full time employee) positions.

Montana Meat and Poultry Inspection Bureau was organized into three main units during this fiscal year – administration, inspection and audit units.

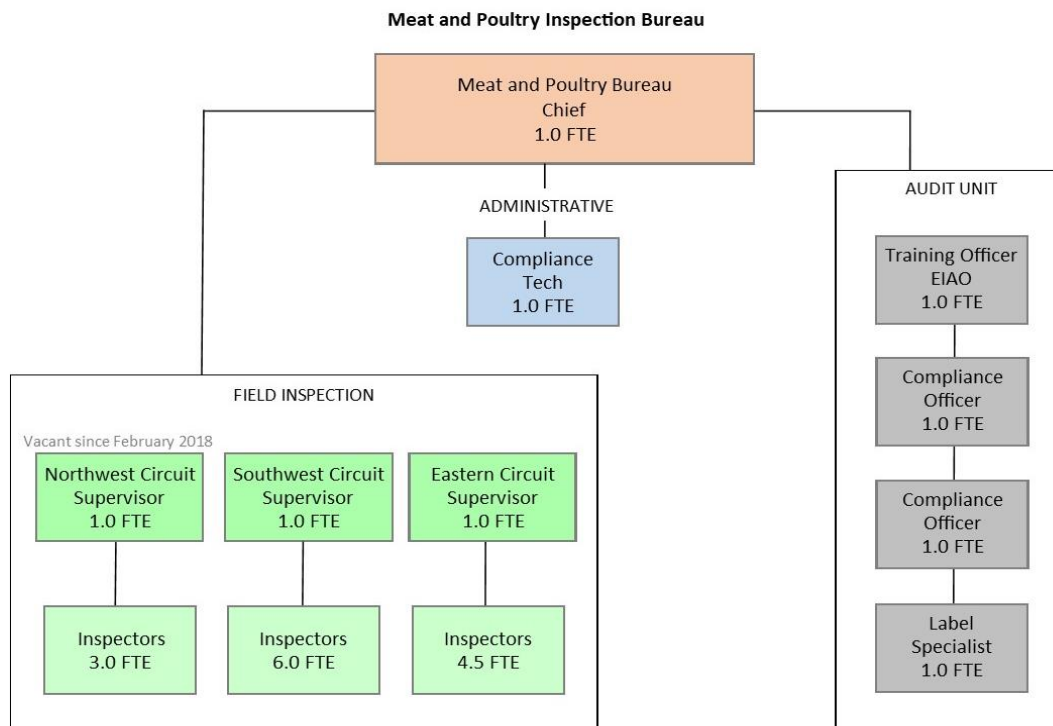


Figure 1: Meat and Poultry Inspection Bureau Organizational Chart

Administrative Unit

The Program Administration Unit provides strategic planning, performance management, program licensing, and database management. This unit is responsible for assuring administrative requirements of FSIS are met.

The compliance tech issues licenses and renewals annually using the LIVAPPS data system

All slaughter records and meat and poultry products poundage are also entered into LIVAPPS and compiled for quarterly statistical reporting. Headcount data is also compiled and reported to Montana Agricultural Statistics and FSIS each quarter.

All inspection staff must obtain and maintain clearance to the secure federal Public Health Information System (PHIS) for recording inspection duties. The clearance process as well as issuing of all USDA issued equipment is handled by the administrative unit.

The compliance tech creates and maintains assignments of establishments and appropriate tasks in PHIS; creates and maintains the state's districting and contact information; enters establishment's data upon the issuance of their Grant of Inspection, and keep that data current with any updates or changes made at the establishment.

Invoicing establishments for fees incurred for any overtime, holiday or weekend inspection service as well as charges for inspection services for any species non-amenable to the Federal Meat Inspection Act (i.e. bison, elk, alpaca, etc.) as required by regulation are billed monthly. Fees are tracked and reported to FSIS.

See **Appendix 1** for Licenses

Microbiological Testing

Montana's inspection program conducts product sampling for detecting pathogens in meat and poultry products. The Administrative Unit monitors that inspection staff follows proper guidelines for sampling frequencies for each product produced.

Montana worked with two laboratories in FY19 to test for a variety of pathogens such as *Salmonella*, *E. coli* O157:H7, all non-O157 shiga toxin producing *E. coli* (STECs), and *Listeria Monocytogenes*. The Bureau also works with Montana State University animal science laboratory for water activity readings. Inspection staff conduct residue sampling for both the National Residue Program and local kidney swab testing (KIS) for residue testing of show animals or any animal that may be suspected of recent injection. There are also testing requirements for fat content and moisture protein levels in certain products.

In any twelve-month period, meat and poultry inspectors will collect approximately 200 raw beef samples and 150 ready-to-eat product samples for testing. Montana began testing raw ground bison meat intended for sale during the last fiscal year. The office staff keeps records of when and where the samples were taken and monitors the results should any further actions or further testing be required. Montana's sampling program is a critical component for assuring that products produced under inspection are safe for consumers.

Inspection Unit

The image below represents the three supervisory circuits in Montana: Northwest, Southwest and Eastern.

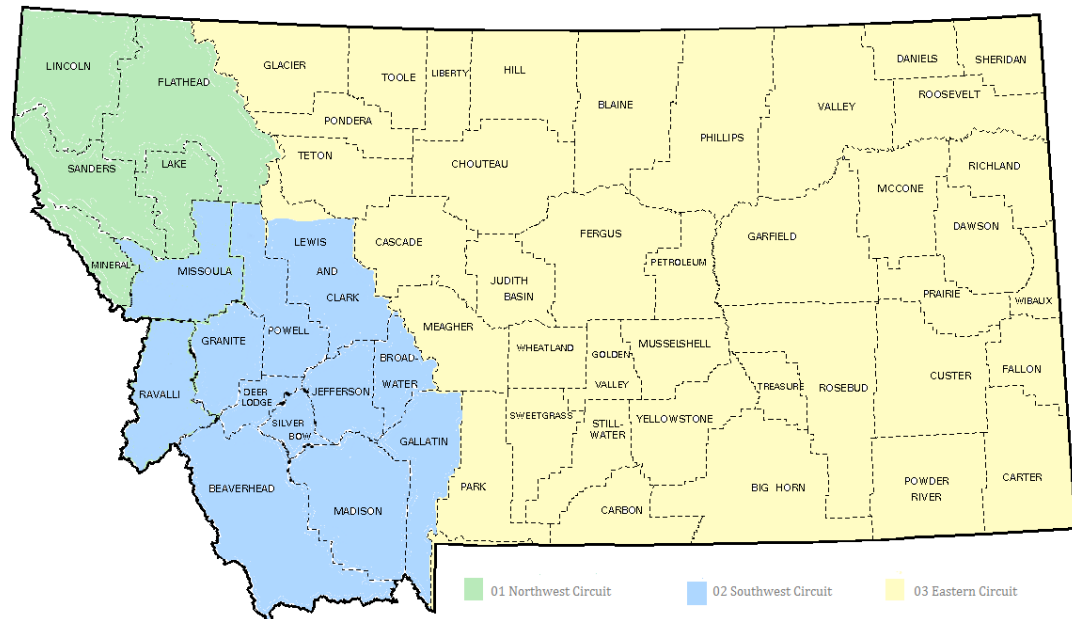


Figure 2: Meat and Poultry Inspection Bureau map of supervisory circuits. Eastern Montana counties with lower populations and no inspected establishments allow large area coverage.

The 3 circuit supervisors are responsible for local meat inspection staff in their district to assure establishments are being provided inspection services as granted. They assure that field inspectors are completing their job duties as assigned, approve time and schedules, and complete job performance appraisals as required. Supervisors provide both slaughter and processing relief inspection as necessary. In addition, they monitor their district staffs' tasks and establishment information in PHIS.

Inspector supervisors work with businesses applying for inspection services. They use their knowledge of hazard analysis and HACCP plans to assure both inspection staff and plant personnel are following regulations. Supervisors conduct onsite plant reviews throughout the year.

Supervisors log many miles while assisting plants and staff; providing inspection coverage during staff vacations, sick leave, or busy slaughter months.

Along with the EIAO, the 3 district supervisors may also provide training to the field inspectors, with the goal being each new inspector receive approximately 280 hours of on-the-job and classroom training. This training is extensive covering all aspects of livestock slaughter, including strict humane handling requirements and identifying disease to identify hazards and critical control points in production of each product to bear the mark of state inspection. Staff must also learn general computers skills along with their role functions in the federal PHIS system.

Montana MPI inspectors carry out day to day inspection of livestock and poultry products at officially inspected establishments. Those same inspectors also inspect all custom exempt operations and

meat storage units throughout the year. As of the end of FY19 this included 37 officially inspected establishments, 120 custom exempt operations, and 138 meat storage units.

An inspector must be onsite during slaughter operations. Animal carcasses and organs exhibiting questionable conditions or disease symptoms are retained for final disposition by a veterinarian under contract with the agency for their services. All slaughter operations are done under the sanitation guidelines required by USDA and establishments must adhere to strict humane handling regulations.

Inspectors also oversee the processing of meat and poultry products. Staff is trained in food safety Hazard Analysis Critical Control Points (HACCP) and necessary recording of data. All products produced under inspection must follow a HACCP plan and staff must document hazard analysis steps, critical control points and all record keeping in the PHIS to assure the proper steps and processes are followed. They provide pre-operational inspection to verify sanitation procedures are met at the start of each process and/or day. Documenting daily duties can be extensive and time consuming. These records are available to view by supervisors and FSIS at any time.

Inspectors also check for correct labeling of products, including review of ingredients and net weights; assure the mark of inspection is used properly; look for any safety hazards or sanitation concerns in the production area; and conduct meetings with plant management regarding various subjects and regulations.

Montana MPI inspection staff are required to keep up on all FSIS Notices and Directives issued by USDA as guidance on the application of regulation. Staff must determine which regulation is applicable to an establishment.

Montana Meat and Poultry Inspection staff also provides inspection services to custom exempt facilities. These facilities may only slaughter and process product for use by the owner, members of his household, and non-paying guests. Products from custom operations may not be resold and must be marked “not for sale”. Like officially inspected establishments, custom exempt facilities meet and follow all sanitation guidelines. Although not subject to animal by animal inspection, facility inspections of custom exempt operations are conducted no less than twice per year. Meat and/or poultry storage operations are reviewed once per year.

See **Appendix 2** for FY19 inspected livestock slaughter headcounts

See **Appendix 3** for inspected products by poundage

See **Appendix 4** for custom exempt livestock slaughtered headcounts

Audit Unit

The new Audit Unit that consists of an Enforcement, Investigations and Analysis Officer (EIAO), a label specialist, and two compliance investigators. These functions are focused on regulations that govern outside the in-plant inspection process.

The EIAO is part of the staff required to meet the “at least equal to” obligations for state meat inspection programs. To qualify, the EIAO must attend an intensive four-week classroom training session provided by USDA FSIS. The EIAO has several job duties including conducting food safety assessments (FSAs), providing outreach to Montana meat producers, and participating in recall activities. In addition, the EIAO provides training for the bureau staff, oversees the audit unit, and serves as the technical expert on regulations pertaining to meat and poultry.

Food Safety Assessments

The main responsibility of the EIAO is to conduct a Food Safety Assessment (FSA). FSAs are comprehensive reviews of an establishment’s food safety systems including the hazard analysis, HACCP plan, sanitation, microbiological testing, plant production practices, and any other practices and procedures that impact food safety. During an FSA, the EIAO spends several days in the official establishments reviewing written documentation as well as observing all aspects of production. In establishment’s that produce ready-to-eat products the EIAO also collects samples for *Listeria monocytogenes* testing.

The EIAO makes enforcement recommendations based on the findings of the FSA. FSAs are entered into the Public Health Information System as part of the permanent record for each establishment.

Labeling

The labeling specialist ensures that meat and poultry products are properly labeled and are following labeling regulations. The label specialist conducts label audits to ensure that all ingredients in meat products are correct and current.

In addition to inspection and compliance duties the Meat and Poultry Inspection Bureau assists local producers with labeling issues. Proper labeling contains important consumer information such as product identification, net weights, ingredients, and allergens. Labels must also bear the state mark of inspection and be approved by the bureau’s labeling specialist. The label specialist will visit state inspected establishments annually and audit labels to assure products are being marketed to consumers with correct information.

Compliance

Montana Meat and Poultry Inspection has two compliance investigators who travel around the state ensuring retail establishments that deal in meat and poultry products are following both state and federal laws. Compliance staff may also investigate consumer complaints, ensure adulterated and misbranded product are removed from commerce, and investigate the sales of meat or poultry outside the regulatory framework.

They have attended the FSIS compliance training course. They travel statewide to assure local meat supply is unadulterated and labeled properly. They work in partnership with the USDA compliance officer based out of the Port of Sweet Grass.

Staff and Districts

Administrative Unit Staff

Bureau Chief, Helena – *Gary Hamel*

Program oversight and employee supervision. State and federal funding budgeting.

Compliance Tech, Helena – *Bonnie Marceau*

State sampling program oversight; directs all sampling in accordance with FSIS projects and frequencies. Records and reports sample results.

PHIS: Trained and fulfills Grant Curator, Role Management Analyst, and User Administrator roles in this role based inspection task recording system.

The compliance tech serves as the FSIS State Coordinator to assure inspections staff can obtain the level of clearance necessary for use of government issued computers, LincPass ID cards, AgLearn system, and PHIS system. In addition, the compliance tech orders and tracks all FSIS issued equipment and monitors FSIS service desks tickets.

Processes all licenses and renewals for meat and poultry operations in Montana, maintains plant's official files; compiles all FSIS required statistical information for quarterly/annual reports.

Staff and Districts, continued

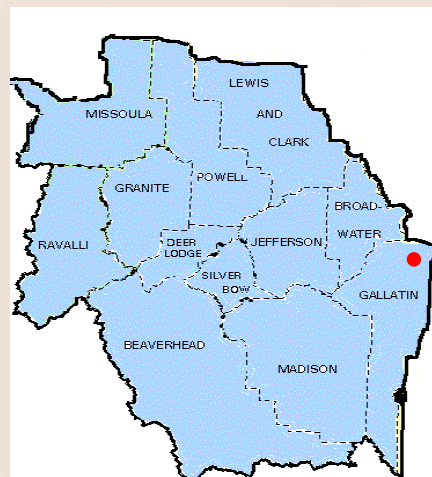
Inspection Unit Staff

District Supervisors

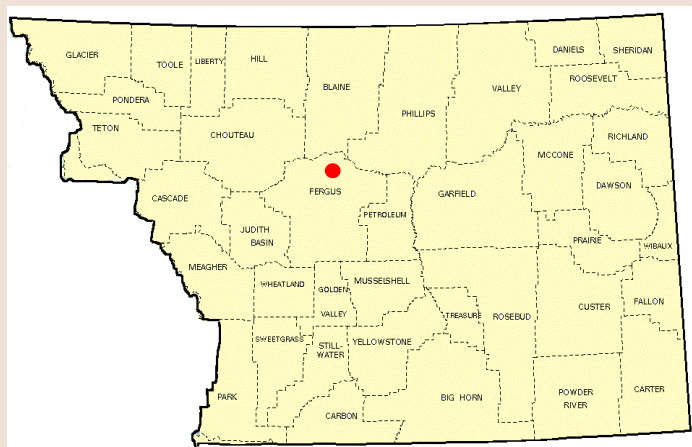
Northwest – *Vacant, Kalispell area*



Southwest – *Nick Wormgoor, Bozeman*



Eastern – *Marcia Lipke, Hilger*



Staff and Districts, continued

State Meat & Poultry Inspectors

The image below reflects the bureau's fourteen inspection regions

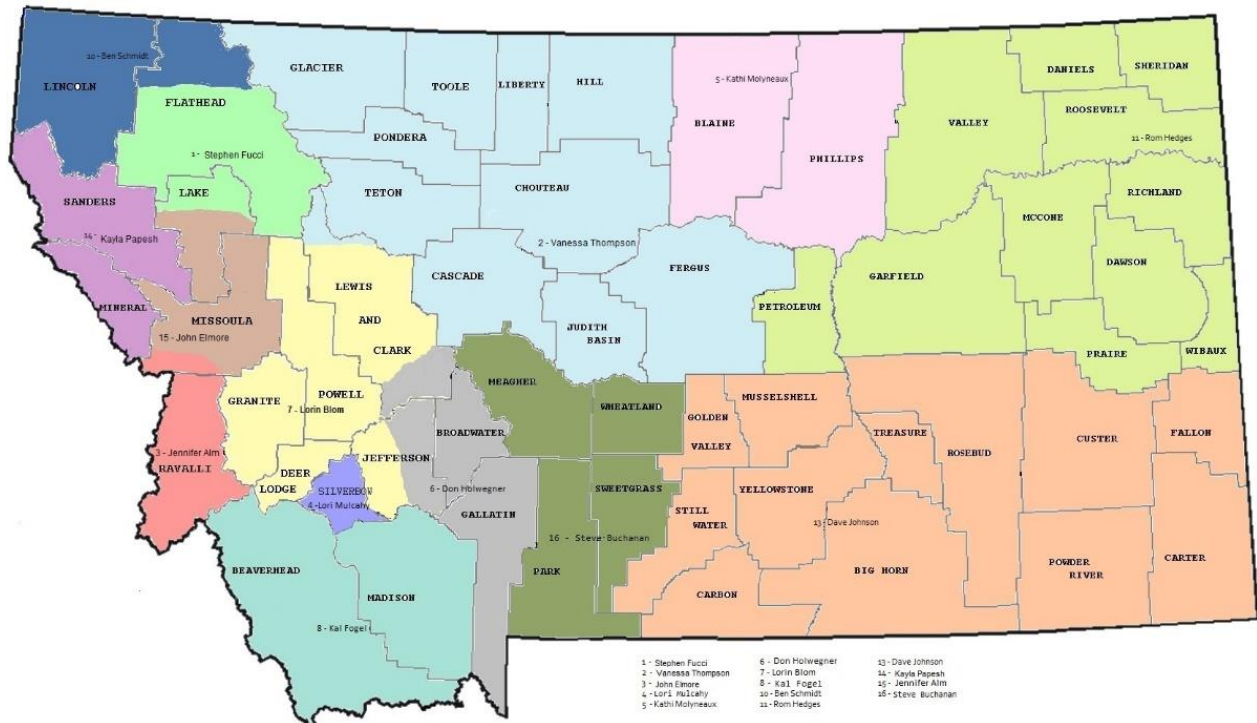


Figure 3: Inspector regions

- Region 1: Tim Wise, Kalispell (Vacant since January 2019)
- Region 2: Vanessa Thompson, Great Falls
- Region 3: David Sylvester, Hamilton (Vacant since January 2019)
- Region 4: Lori Mulcahy, Butte
- Region 5: Kathi Molyneaux, Chinook
- Region 6: Don Holwegner, Manhattan
- Region 7: Lorin Blom, Anaconda
- Region 8: Kal Fogel, Dillon
- Region 10: Ben Schmidt, Columbia Falls
- Region 11: Rom Hedges, Antelope
- Region 13: Dave Johnson, Billings
- Region 14: Dean Carmichael, Plains (Vacant since April 2019)
- Region 15: Jennifer Meinen-Alm, Missoula
- Region 16: Steve Buchanan, Big Timber

Staff and Districts, continued

Audit Unit Staff

Enforcement, Investigations and Analysis Officer (EIAO), Helena – *Dr. Emily Kaleczyk*

The EIAO conducts Food Safety Assessments (FSAs) to determine if the establishment's processes and HACCP plans meet regulatory requirements. The EIAO responds to and addresses any food safety concerns throughout the state.

Conducts training of inspection staff for slaughter and processing. Along with Dr. Jane Ann Boles, she teaches the state HACCP class held at MSU. Dr. Boles is a professor of meat science at Montana State University and is a meat processing authority. Her skills are utilized by Montana MPI and meat processors throughout the state.

Label Specialist / Relief Inspection, Helena – *Samantha Darlington*

The state label specialist is responsible for approving labels for any meat and poultry products produced under inspection. The label specialist must monitor all aspects of product labeling including ingredient statements, net weights and allergens. The label specialist is responsible for auditing labels at each inspected facility to assure labels bearing the mark of inspection are printed and used accurately.

This position is also trained as a relief inspector.

Compliance Investigators, Bozeman – *Ray Figgins* and *James Peterson*

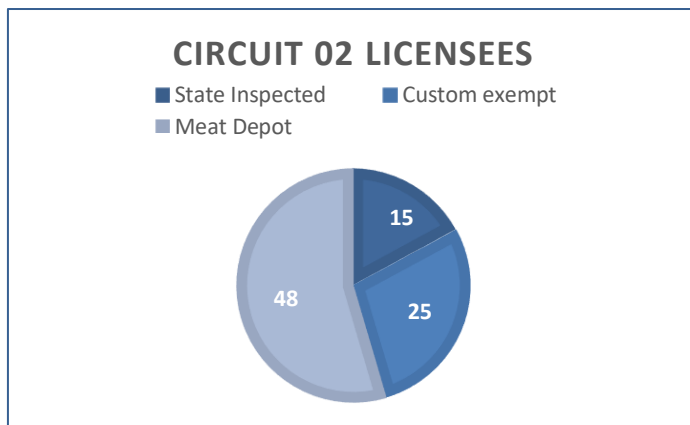
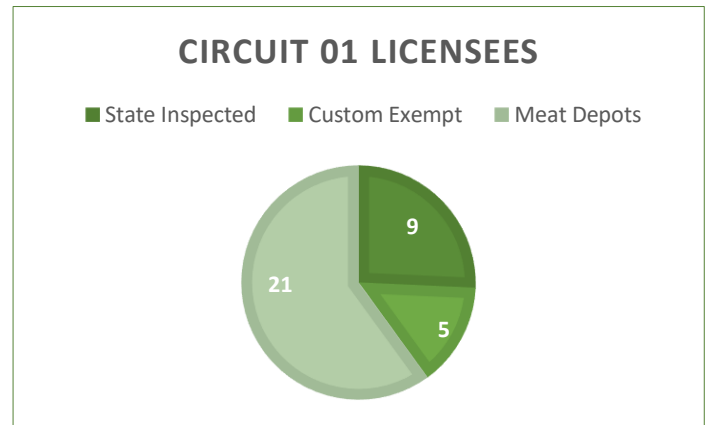
The compliance investigators respond statewide to various complaints, check retail grinding logs and check meat and poultry products for packaging and/or labeling issues. They work with the USDA compliance staff in Montana.

Appendix 1 - Licenses

The following charts reflect how many licensees and types in each of the supervisory circuits in the state.

Circuit 01 – Northwest & Western Montana

State Inspected Plants:	9
Custom Exempt Facilities:	5
Meat Depot Storage Units:	21

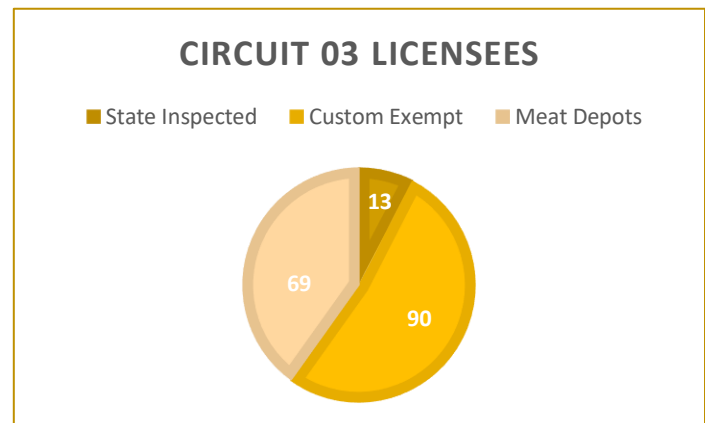


Circuit 02 – Southwest & Central Montana

State Inspected Plants:	15
Custom Exempt Facilities:	25
Meat Depot Storage Units:	48

Circuit 03 – Northcentral & Eastern Montana

State Inspected Plants:	13
Custom Exempt Facilities:	90
Meat Depot Storage Units:	69



APPENDIX 2 - FY19 State Inspected Slaughter

State Inspected – Livestock slaughter headcounts

FY19													
Species	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	TOTALS
Bulls	34	30	27	23	14	18	26	13	17	24	35	24	285
Calves	0	0	0	0	0	0	0	0	0	0	0	0	0
Cows	67	65	61	55	50	93	116	78	70	92	94	107	948
Goat	26	9	8	27	14	4	10	2	5	4	7	12	128
Heifers	93	105	78	85	86	107	156	115	128	116	95	92	1256
Lambs	154	225	57	152	54	71	47	33	107	76	66	59	1101
Sheep	51	60	98	95	89	92	121	57	58	51	59	42	873
Steers	369	501	434	379	301	287	325	217	194	208	233	205	3653
Swine	905	1062	681	572	415	403	454	367	455	408	423	376	6521
Bison	5	45	8	12	46	45	5	13	11	9	6	0	205
Elk	0	8	0	0	0	33	0	20	0	21	0	0	82
Emu	276	0	67	0	0	0	0	0	0	0	0	0	343
Chicken	1365	1757	1765	1957	573	0	0	2087	0	1019	2947	885	14355
Duck	0	0	0	0	0	0	0	0	0	0	0	0	0
Goose	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	5	2	10	0	0	0	10	14	0	2	5	21	69
Rabbits	9	60	6	43	0	0	0	0	0	0	0	20	138
Turkey	27	0	2	1545	85	0	0	0	0	0	3	796	2458

Table 1: FY19 State Inspected slaughter headcounts

APPENDIX 2 - continued

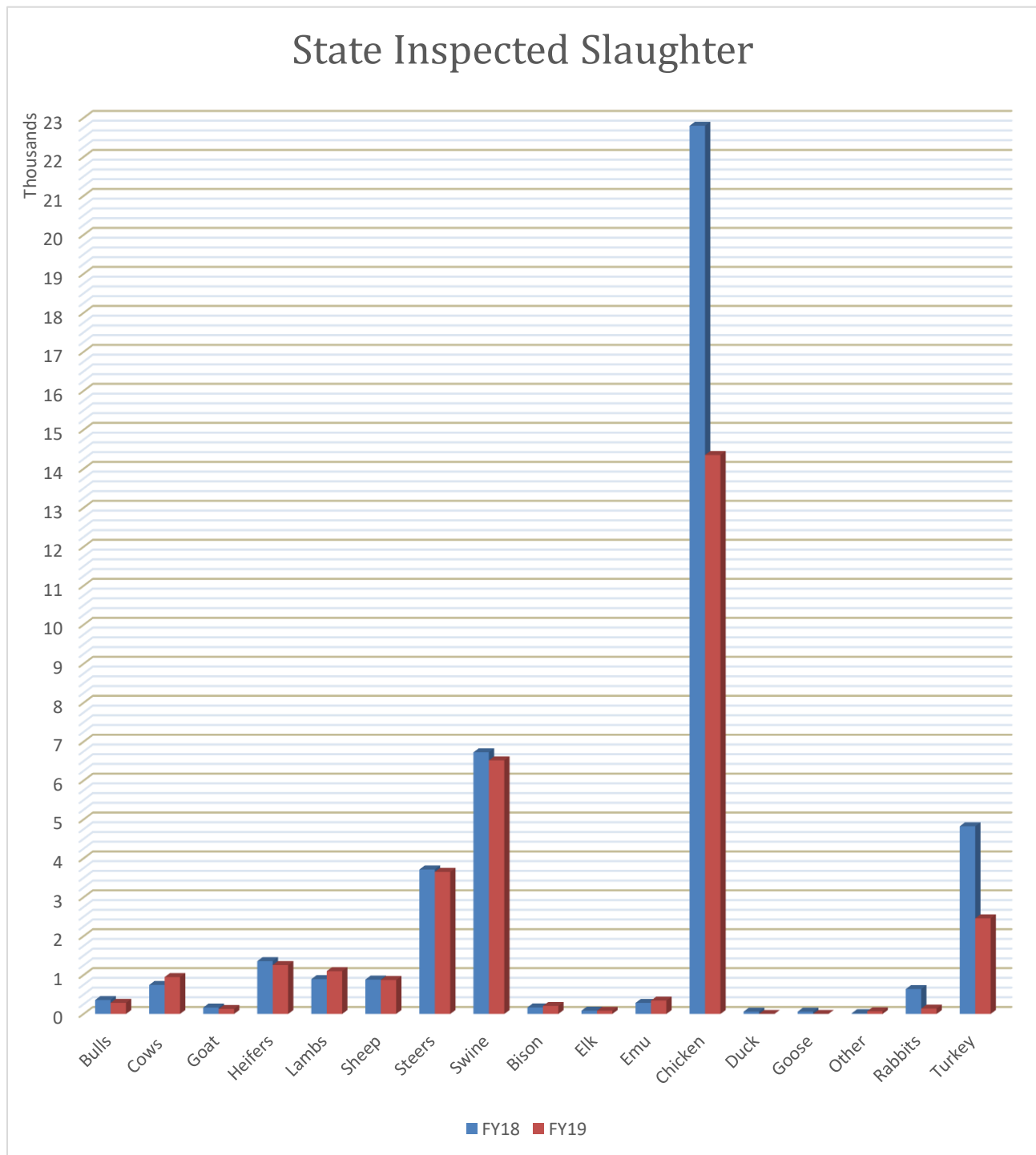


Figure 4: FY18 and FY19 slaughter headcount comparison

APPENDIX 3 - FY19 Custom Exempt Slaughter

Custom Exempt – Livestock slaughtered headcounts

Livestock Slaughtered	
Species	Total
Bison	412
Bulls	884
Cows	1504
Elk	0
Goat	86
Heifers	2624
Lambs	243
Other	1
Sheep	1219
Steers	6831
Swine	6963



Table 2: FY19 Custom exempt slaughtered headcounts. Figure 5: Custom exempt slaughtered livestock in order of quantity.

Custom Exempt – Poultry slaughtered headcounts

Poultry Slaughtered	
Species	Total
Chicken	52535
Duck	1850
Geese	500
Turkey	23186

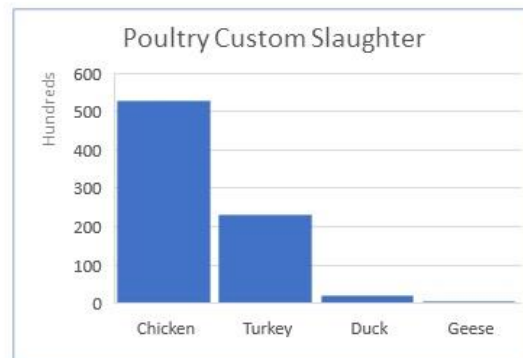


Table 3: FY19 Custom exempt poultry slaughtered headcounts. Figure 6: Custom exempt slaughtered poultry in order of quantity.

Appendix 4 – FY19 Inspected Product Poundage Produced

Products produced under inspection services are tracked by the HACCP categories outlined in CFR 417.2. They include:

- *Raw Ground* – raw product that is put through a grinding process; like ground beef and ground pork
- *Raw Not Ground* – product that is not ground and intact; like carcass halves & quarters, cuts (bone-in or boned), primals & sub-primals (steaks, chops)
- *Not Heat Treated Shelf Stable* – product is acidified/fermented processed without heat/cooking
- *Heat Treated Shelf Stable* – product is processed with heat and/or drying until shelf stable, like jerky and snack sticks
- *Fully Cooked Not Shelf Stable* – products that are brought up to required cooking temperatures but not shelf stable, like some hams and sausages
- *Heat Treated Not Fully Cooked Not Shelf Stable* – products are processed with heat but not fully cooked and therefore not shelf stable, like bacon, sausages, or even some pasties and burritos.

FY19 State Inspected Product Poundage by Category

MEAT	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr
03B Raw Ground	491631	332799	372584	322368
03C Raw Not Ground	679164	566271	545883	449329
03E Not Heat Treated Shelf Stable	1423	0	0	0
03F Heat Treated Shelf Stable	24103	25439	19170	21480
03G Fully Cooked Not Shelf Stable	166868	159860	117449	81266
03H Heat Treated Not Fully Cooked NSS	55327	51425	38658	33613
POULTRY	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr
03B Raw Ground	0	0	0	0
03C Raw Not Ground	35203	37257	15908	35198
03E Not Heat Treated Shelf Stable	0	0	0	0
03F Heat Treated Shelf Stable	0	0	0	0
03G Fully Cooked Not Shelf Stable	13870	21973	9992	11198
03H Heat Treated Not Fully Cooked NSS	20	1920	120	0

Table 4: State inspected meat and poultry products produced by HACCP category each quarter in FY19

Appendix 4 – continued

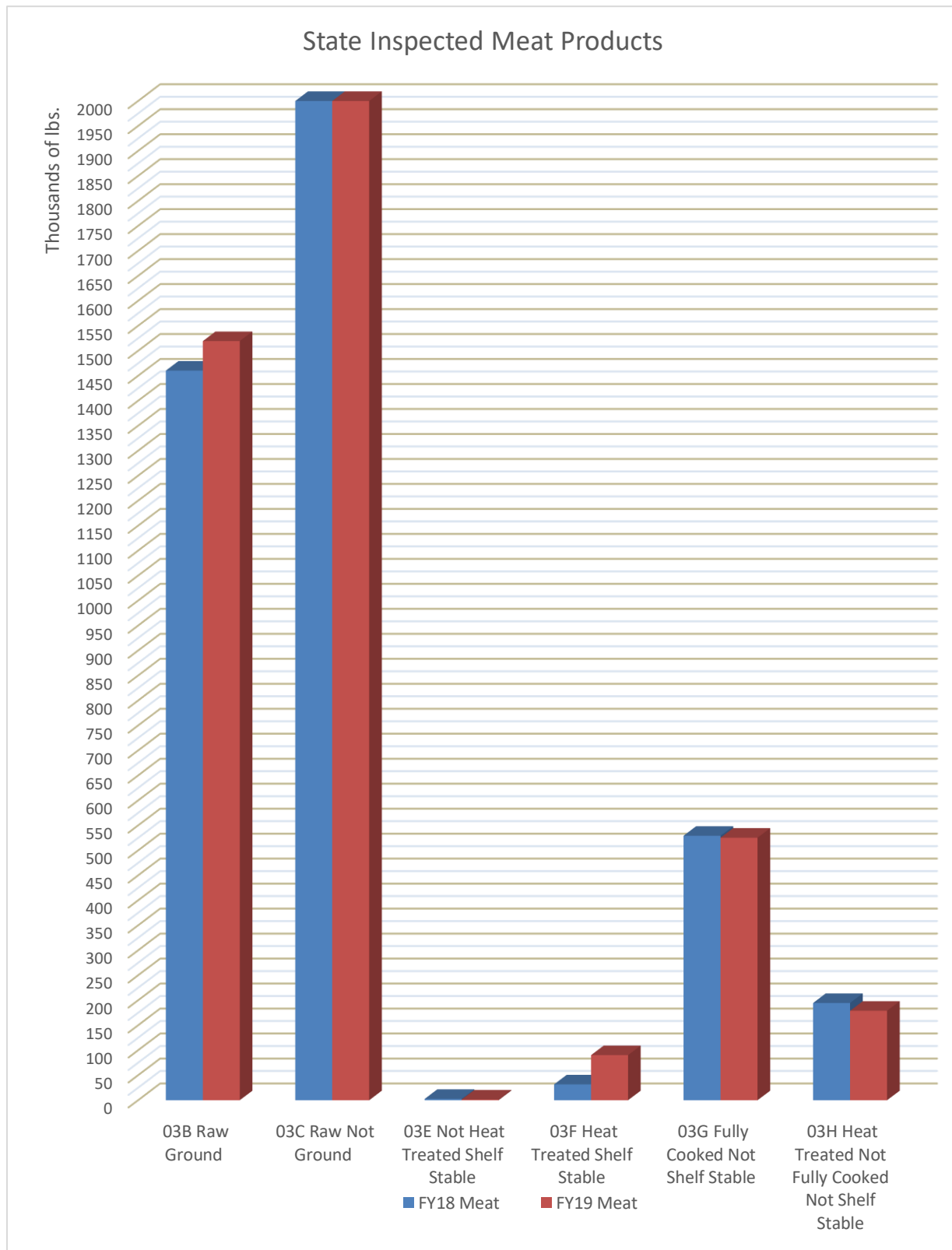


Figure 5: Meat products poundage comparison for FY18 and FY19

Appendix 4 – continued

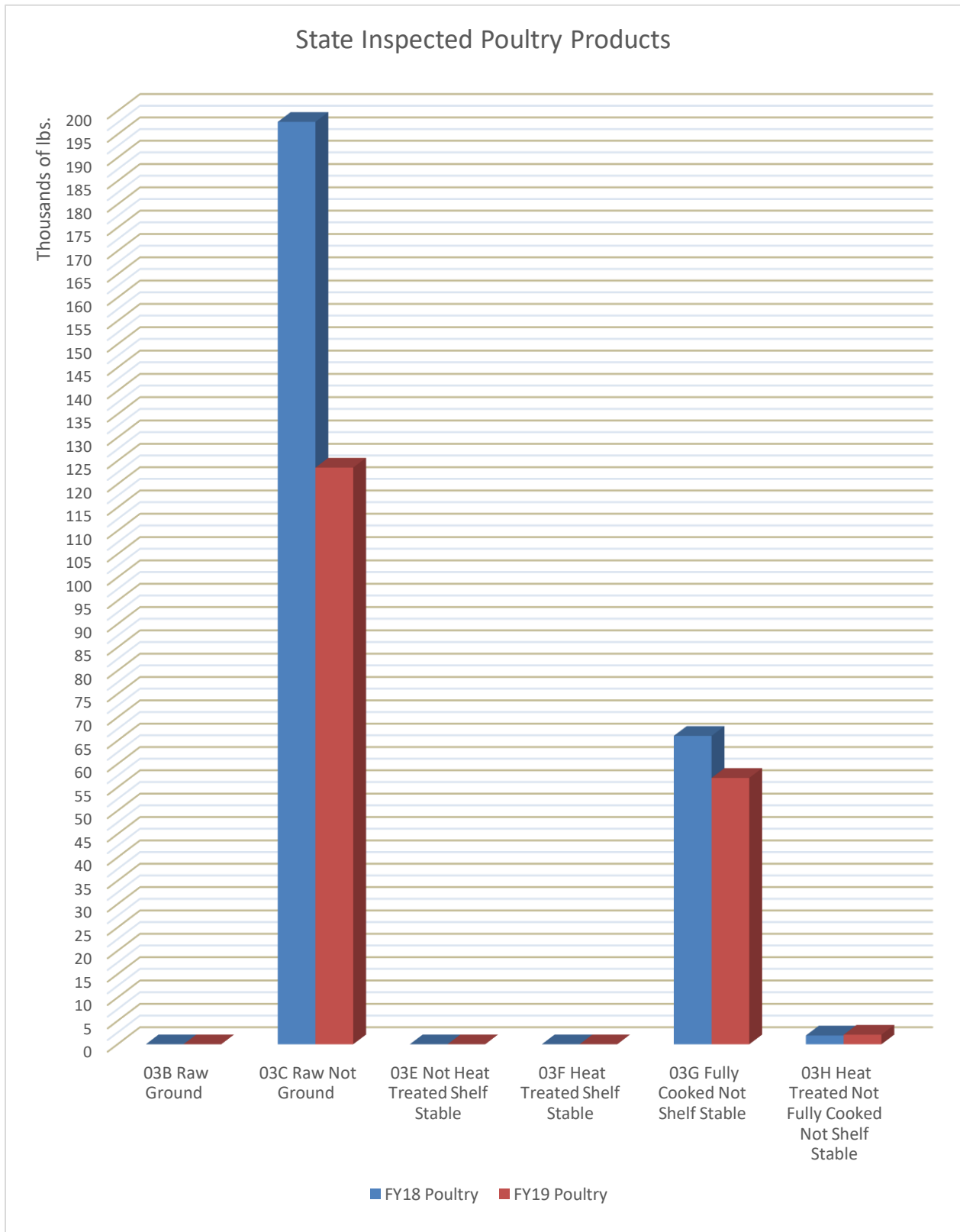


Figure 6: Poultry products poundage comparison for FY18 and FY19